



Illinois Department of Revenue

Informational Bulletin

Brian Hamer
Director of Revenue

For information . . .

Visit our web site —
tax.illinois.gov

Call us —
1 800 732-8866 or
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Illinois Department of Revenue
P.O. Box 19044
Springfield, IL 62794-9044

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This bulletin is written to
inform you of recent changes;
it does not replace statutes,
rules and regulations, or
court decisions.

Changes to Illinois Income Tax Withholding Law

To: All tax professionals and taxpayers who
withhold Illinois Income Tax

This bulletin summarizes significant
changes to the Illinois Income Tax with-
holding law, which become effective
January 1, 2008.

What are the changes?

- ◆ New payment due dates
- ◆ New filing due dates
- ◆ Form IL-W-3 is no longer required

How will I know my due dates?

Each year we will tell you when your
payments are due and when to file your
returns for the new tax year. All taxpayers
will be assigned to one of three due date
schedules: semi-weekly, monthly, or an-
nual. You must use the due date schedule
we assign to you.

Note to annual filers: Annual return filers
will no longer receive a withholding coupon
booklet. Instead, we will send you a single
Form IL-941-A.

Note to all filers: You may find it easier to
make your payments using EFTPS. This
application allows you to make both your
federal and Illinois withholding payments
at the same time. Visit eftps.gov, then click
on "STATE PILOT". You may also pay using
TaxNet, FSET, or EFT.

Due Date Schedules

Semi-weekly (frequent)	
You must	By
Pay using EFTPS, TaxNet, FSET, EFT, or a Payment Coupon (IL-501)	Wednesday for amounts withheld on the preceding Wednesday, Thursday, or Friday, and Friday for amounts withheld on the preceding Saturday, Sunday, Monday, or Tuesday
File using TaxNet, FSET, or Form IL-941	The last day of April, July, October, and January

Monthly	
You must	By
Pay using EFTPS, TaxNet, FSET, EFT, or a Payment Coupon (IL-501)	15th of each month for amounts withheld the preceding month
File using TaxNet, FSET, or Form IL-941	The last day of April, July, October, and January

Annual	
You must	By
File and pay using EFTPS, TaxNet, FSET, EFT, or Form IL-941-A	January 31 of the following year for amounts withheld the entire preceding year



Can my due date schedule change during the year?

- ◆ If you are assigned to the semi-weekly due date schedule, your schedule will not change.
- ◆ If you are assigned to the annual or monthly due date schedule and you exceed \$12,000 in withholding during any quarter, you must begin to use the semi-weekly due date schedule for the following quarter, the remainder of the year, and the subsequent year.

Note: It is the taxpayer's responsibility to use EFTPS, TaxNet, FSET, EFT, or call us so we can issue a new withholding coupon booklet.

How do you determine my payment and filing requirements?

The new payment and filing requirements are determined by the total tax withheld during the "look-back" period. The look-back period is July 1 through June 30 of the immediately preceding year.

Taxpayers who reported

- ◆ more than \$12,000, will be assigned to the semi-weekly due date schedule.
- ◆ more than \$1,000, but no more than \$12,000, will be assigned to the monthly due date schedule.
- ◆ \$1,000 or less, will be assigned to the annual due date schedule.

Note: There are exceptions. New taxpayers are automatically assigned to the monthly due date schedule, as are those who would qualify for the annual due date schedule, but are not in good standing with the department.

Example:

Payday for the employees of XYZ Corporation is on Thursday, January 17, 2008. It is for the work period of January 1 through January 15, 2008. January 17 is the date that withholding tax is considered withheld.

If we assigned XYZ Corporation to the

- ◆ Semi-weekly due date schedule, the payment is due Wednesday, January 23, 2008.
- ◆ Monthly due date schedule, the payment is due Friday, February 15, 2008.
- ◆ Annual due date schedule, the payment is due Monday, February 2, 2009, because January 31 is on a Saturday.

Are there any other changes?

Yes. The size of the coupons have changed. If you use a software package, check to make sure updates have been made.

Because your payment due dates are based on the day you pay your employees, we occasionally may ask you to provide payroll information. *To avoid penalties*, all tax withheld must be paid by each payment due date.